

Message Text

UNCLASSIFIED

PAGE 01 STATE 154877

55

ORIGIN OPIC-12

INFO OCT-01 EA-11 ISO-00 EB-11 AID-20 COME-00 RSC-01

CIAE-00 INR-11 NSAE-00 /067 R

66616

DRAFTED BY: OPIC/T, LEO NIELSON: EL 7/17/74 JWEEOY

APPROVED BY: EB/IFD/OIA/ R SMITH

OPIC/GC, MARCIA WISS EA/IMS: A DORNHEIM (INFO)

EB/IFD/OIA, T BRODERICK TB

OPIC/T LEO NIELSON

SPECIAL CHARGE OPIC

----- 027921

R 172203Z JUL 74

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA

UNCLAS STATE 154877

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: P. T. UNITED COCONUT-INDONESIA

PASS TO A. BARAMULI S. H., PRESIDENT, POLEKO GROUP

1. THERE APPEARS TO BE CONSIDERABLE CONFUSION IN RECENT COMMUNICATIONS FROM J. JORDAN TO HIS NEW YORK ATTORNEY REGARDING OPIC'S POSITION AS TO THE SALE OF UNITED U.S. 'S SHARES OF P.T. UNITED COCONUT TO POLECO. LOIC'S POSITION AS OUTLINED BY NIELSON AT THE MEETING OF THE BOARD OF DIRECTORS ON MAY 24, 1974 IN JAKARTA AND SUBSEQUENTLY DISCUSSED BY HIM WITH YOU AND MR. NAAFII HAS NOT CHANGES AND IS AS FOLLOWS:

2. OPIC WILL CONSENT TO THE SALE OF UNITED U.S. 'S SHARES TO POLECO COMPANY AT THE AGREED PRICES SUBJECT TO THE FOLLOWING CONDITIONS:

(A) ASSUMPTION BY ARNOLD BARAMULI AND POLECO COMPANY OF THE OBLIGATION OF UNITED U.S. UNDER THE PROJECTION COMPLETION AGREEMENT DATED AS OF OCTOBER 25, 1972.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 154877

(B) ESTABLISHMENT BY UNITED U.S. OF AN ESCROW ACCOUNT WITH AN

ESCROW AGENT IN INDONESIA, SATISFACTORY TO OPIC, OF DOLLARS 100,000 FOR THE PREPAYMENT OF DESICCATED COCONUTS, SAID FUNDS TO BE WITHDRAWN BY N.L.T. UNITED UPON THE PRESENTATION OF APPROPRIATE SHIPPING DOCUMENTS. JORDAN IS NOW WILLING TO ESTABLISH THIS ESCROW FROM PARTIAL STOCK SALES PROCEEDS.

(C) SATISFACTORY AMENDMENT TO THE MARKETING AGREEMENT BETWEEN P.T. UNITED COCONUT AND UNITED U.S.

(D) TERMINATION AS OF MAY 24, 1974, OF THE TECHNICAL ASSISTANCE AGREEMENT. THE DATE OF MAY 24 WAS SELECTED AS THE DATE TO SIGN THE NECESSARY AGREEMENTS IN JAKARTA. SINCE THE SIGNING WAS NOT ACCOMPLISHED ON THAT DATE, OPIC HAS CONSENTED TO ITS TERMINATION AS OF JUNE 30, 1974.

3. WE RECOGNIZE THAT THE REPRESENTATIONS BY J. JORDAN ARE NOT ALWAYS CORRECT AND THEREFORE ARE RESTATING OUR POSITION.

4. OPIC HAS BEEN IN CONSTANT COMMUNICATION WITH HERITIER AS TO HIS NEGOTIATION OF THE PROPOSED COMMISSION TO BE RECEIVED BY UNITED U.S., NAMELY 10 PER CENT OF THE FINAL U.S. SALES PRICE AND 2 CENTS PER POUNDS, PLUS 5 PER CENT OF NON-U.S. SALES, TOGETHER WITH HIS RECOMMENDATION AS TO A FIRM RENEGOTIATION RIGHT AFTER A PERIOD OF TWO YEARS AS STATED TO YOU IN RECENT TELEPHONE CONVERSATION, OPIC HAS NO PROBLEM WITH RESPECT TO A TWO YEAR RENEGOTIATION WITH THE PROVISIO THAT IF THE PARTIES FAIL TO REACH AN AGREEMENT THE MATTER WILL BE SUBJECT TO ARBITRATION. YOUR POSITION THAT THE CURRENT PRODUCTION OF 200,000 POUNDS WOULD BE SOLD TO UNITED U.S. AT THE CURRENT NEW YORK PRICES, UPON THE PRESENTATION OF LETTERS OF CREDIT BY UNITED U.S. IS JUSTIFIABLE. YOU ADVISED P.T. UNITED COCONUT HAS NO BUYERS AT PRESENT FOR THE ON HAND PRODUCTION. IT IS ADVISABLE THAT THE GOODS BE MOVED WHILE IN AN ACCEPTABLE CONDITION, THEREFORE IT IS ESSENTIAL THAT AN AGREEMENT TO CONCLUDE AS TO PRODUCTION ON HAND EVEN THOUGH TOTAL AMENDATORY MARKETING AGREEMENT CANNOT BE NEGOTIATED AT THIS TIME.

5. JORDAN'S ATTORNEY REPRESENTED JULY 16 THAT JORDAN WILLING TO PRESENT LETTERS OF CREDIT ON EXISTING 200,000 POUNDS ON CONDITION THAT DOLLARS 33,000 BE PAID TO UNITED U.S. ASSUME THIS AMOUNT RELATED TO TECHNICAL ASSISTANCE AGREEMENT THROUGH JUNE 30. OPIC REJECTED THIS FIGURE AND ADVISED THAT DISCUSSIONS BE HELD WITH YOU AS TO THE PAYMENT OF DOLLARS 15,343, THE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 154877

AMOUNT JORDAN CLAIMS FOR TECHNICAL ASSISTANCE THROUGH MAY 1974 AS LISTED IN MAY 24, 1974, ACCOUNTS PAYABLE. THIS WAS A COMMITMENT TO MOVE THE GOODS. PLEASE ADVISE RESULTS OF YOUR RECENT MEETINGS WITH JORDAN.

6. OPIC DOCUMENTS BEING FORWARDED TO YOU AND PICA.
KISSINGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, COCONUTS, STOCKS (SECURITIES), BUSINESS FIRMS, NEGOTIATIONS, DEBT REPAYMENTS, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE154877
Document Source: CORE
Document Unique ID: 00
Drafter: OPIC/T, LEO NIELSON: EL 7/17/74 JWEOOY
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740192-1174
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740740/aaaabiez.tel
Line Count: 114
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 02 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 OCT 2002 by ThomasVJ>; APPROVED <17 JAN 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: P. T. UNITED COCONUT-INDONESIA PASS TO A. BARAMULI S. H., PRESIDENT, POLEKO GROUP
TAGS: EFIN, ID, OPIC, P T UNITED COCONUT
To: JAKARTA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005